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Swiss Confederation

Federal Department of Economic Affairs, Education and Research EAER State Secretariat for Economic Affairs SECO



# **Driving Innovation in Sustainability Standards**

In a recent report on the market growth of sustainability standards, responsible production continues to grow at an unprecedented rate: nine-, ten- and even thirty-fold increases from various ISEAL members were shown in a recent six year period.<sup>1</sup> In addition, more than 70% of two hundred companies in two recent global surveys<sup>2</sup> said they believe in sustainability standards' positive impacts and business case and plan to increase their use in the future.

Despite this continued growth and interest, the great challenge for sustainable standards today is to scale up quickly, while maintaining credibility. We must dramatically improve the standards model by innovating and evolving across all parts of our systems, from assurance to traceability to data quality to our own business models.

To this end, ISEAL Alliance, in partnership with the Swiss State Secretariat for Economic Affairs (SECO) and additional funding partners, has launched an ambitious innovations programme. The programme will bring together the collective efforts of the sustainability standards movement and use ISEAL as a platform for innovation. The programme's goal is to scale up the positive impacts of sustainability standards, and make sure they are more efficient, inclusive, collaborative and effective.

#### Specifically, ISEAL is working to:

- Stimulate innovative thinking and collaboration through dialogue and exchange between standards and outside experts and organisations, and through the adoption of a systems learning approach.
- Provide incentives and funding to catalyse collaboration and change by ISEAL members; enabling them to develop, test and share innovations.

The programme has a range of activities, such as member learning and exchange in working groups and events, strategic intelligence that will stimulate action, high level dialogues among chief executives in the standards movement, dedicated collaboration on important issues, and an innovations fund to support worthy ideas.



The programme is also digging deep to find innovative solutions through task forces, with a preliminary focus on assessing and managing for risk, measuring and managing for outcomes, traceability and driving continual improvement.

"We see ISEAL as the centre of excellence and competence for the whole sustainability standards movement. ISEAL is working to bring standards to the next level, so they become the market driven tools that have the potential to transform entire sectors and to reach out effectively to small holders."

Monica Rubiolo, Head of Trade Promotion, SECO

### **Innovations Fund**

The ISEAL innovations fund lies at the heart of the programme and is the primary vehicle through which sustainability standards are testing innovations and improving the effectiveness and accessibility of their approach. The fund is open to projects led by ISEAL members and focused on any topic that improves the effectiveness, efficiency and value of sustainability standards. The dedicated fund has leadership support of 5 million CHF from SECO as well as additional support from the UK Government, the Walton Family Foundation and the Packard Foundation. There are both large and small grants available. Small grants can be for discrete pilots or studies to inform development of larger projects. Large grants are for projects that reflect the shared priorities of the ISEAL community and have significant cross-learning or adoption potential, along with an on-the-ground implementation component. Grant decisions are made by a multistakeholder committee made up of a donor, an NGO, a standards expert and a business. The ISEAL Secretariat serves as a technical advisor to the committee.

## **ISEAL members at a turning point**

ISEAL members collectively recognise that their approach is at a real turning point. Sustainability standards must both scale up and improve their approach to be strong partners in sector transformation. ISEAL is driving the new innovations programme to be learning and improvement focused, so that within four years we will have a proven track record of catalysing innovations and improvements. ISEAL members will have created new value through increased accessibility, and will demonstrate their value as partners in addressing critical issues and in working towards transforming sectors, regions and supply chains.



## Examples of projects the fund has supported

- Developing a real-time audit management platform
- Leveraging existing audit data information to reduce burdens and costs
- Collecting outcome data, rather than just compliance decisions, through routine audits to minimise costs and drive riskbased assurance
- > Catalysing an issues-based working group with a special public knowledge database
- Piloting joint interventions, and potentially joint auditing, among standards systems to reach more small holders in a single sector
- > Developing a public reference framework for aligning digitised farm information

ISEAL's vision is a world in which social, environmental and economic sustainability is the normal condition of business. Our mission is to strengthen sustainability standards for the benefit of people and the environment.

#### **ISEAL Alliance**

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#### Supporters of the ISEAL innovations programme:

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1. Data is from this report, which provides an overview of the sustainability standards landscape from the market perspective. The report was produced by the International Trade Centre (ITC) in partnership with The Research Institute of Organic Agriculture (FiBL) and the International Institute for Sustainable Development (IISD). 2. In late 2015, ISEAL conducted two major surveys of the business community including an ISEAL survey of 101 people and an additional survey done by independent research firm Globescan that had 168 respondents.

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